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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of  
THE COMMISSIONER OF BUSINESS  
OVERSIGHT,

Complainant,

v.

ANTHONY OTTIMO

Respondent.

**CRD No. 2974369**

**ACCUSATION**

Complainant, the California Commissioner of Business Oversight (“Commissioner”) alleges  
and charges as follows:

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1 **I. JURISDICTION AND VENUE**

2 1. The Commissioner brings this action to bar Anthony Ottimo from any position of  
3 employment, management or control of any broker-dealer or investment adviser pursuant to  
4 Corporations Code sections 25212 and 25213, and the rules and regulations promulgated thereunder.

5 2. The Commissioner is authorized to administer and enforce the provisions of the  
6 Corporate Securities Law of 1968, Corporations Code section 25000 et seq., and the regulations  
7 thereunder at California Code of Regulations, title 10, section 260.000 et seq.

8 **II. STATEMENT OF FACTS**

9 3. This action is brought in order to bar Respondent Anthony Ottimo ("Ottimo") from  
10 any position of employment, management or control of any broker-dealer or investment adviser  
11 pursuant to Corporations Code sections 25212 and 25213.

12 4. From November 27, 2001 to October 12, 2012 EKN Financial Services, Inc. f/k/a  
13 Ehrenkrantz King Nussbaum, Inc. ("EKN Financial") was a Financial Industry Regulatory Authority  
14 ("FINRA") regulated broker dealer with an office first in Garden City and then in Melville, New  
15 York. FINRA is a national self-regulatory membership association of broker-dealers, authorized by  
16 the 1938 Maloney Act amendments to the Securities Exchange Act of 1934 to supervise the conduct  
17 of its members subject to the oversight of the United States Securities and Exchange Commission  
18 ("SEC").

19 5. Ottimo (CRD No. 2974369) was registered with FINRA from October 15, 1997 to  
20 October 12, 2012. As an employee of EKN Financial, and as 45% owner of EKN Financial's parent  
21 company, from June 30, 2001 through October 12, 2012 Ottimo was subject to FINRA's jurisdiction  
22 as well.

23 6. On June 6, 2008, EKN Financial and Ottimo consented to the entry of an SEC Order  
24 Instituting Administrative and Cease-And-Desist Proceedings, Making Findings, and Imposing  
25 Remedial Sanctions and A Cease-And-Desist Order Pursuant to Section 8A of the Securities Act of  
26 1933, and Sections 15(b) and 21C of the Securities Exchange Act of 1934, as to EKN Financial  
27 Services, Inc. F/K/A Ehrenkrantz King Nussbaum, Inc. and Anthony Ottimo, dated June 6, 2008. In  
28 this Order the SEC found that between January 2003 and November 2003, EKN Financial and

Ottimo, through a person associated with EKN Financial who performed the functions of a registered representative, defrauded mutual funds and their shareholders by engaging in a variety of deceptive acts and practices, including creating multiple “cloned” accounts in order to continue to engage in market timing concealed from the funds and evade restrictions of the funds on market timing and exchanges in a given fund family. Ottimo was an officer of EKN Financial at this time and was aware of the improper activities of this associated person, and as a result Ottimo was barred from associating with any broker or dealer in a supervisory capacity.

7. On October 12, 2012 FINRA issued an Order Accepting Offer of Settlement wherein EKN Financial and Ottimo consented to the entry of findings as follows: In violation of the June 6, 2008 SEC bar, Ottimo continued to act as EKN Financial’s Chief Executive Officer, a general securities principal, and in a supervisory capacity, and engaged in other conduct showing an ongoing defiance of securities laws, securities regulations and FINRA rules, including the failure to detect and report suspicious transactions that may indicate money laundering, the failure to report judgments and liens filed against Ottimo, the failure to maintain required net worth minimums, and numerous other compliance violations. In this Order EKN Financial was expelled from membership in FINRA, and Ottimo was barred from association in any capacity with a FINRA member firm.

**III. ANTHONY OTTIMO SHOULD BE BARRED FROM ANY POSITION OF EMPLOYMENT, MANAGEMENT OR CONTROL OF ANY BROKER-DEALER OR INVESTMENT ADVISER**

8. Corporations Code section 25213 provides, in pertinent part:

The commissioner may, after appropriate notice and opportunity for hearing, by order censure, or suspend for a period not exceeding 12 months or deny or bar from any position of employment, management or control of any broker-dealer or investment adviser, any officer, director, partner, agent, employee of, or person performing similar functions for, a broker-dealer, or any other person, if the commissioner finds that the . . . bar is in the public interest and that the person . . . is subject to any order specified in subdivision (d) of section 25212.”

9. Corporations Code section 25212 provides in pertinent part:

“The commissioner may, after appropriate notice and opportunity for hearing, by order censure, deny a certificate to, suspend for a period not exceeding 12 months or revoke the certificate of, any broker-dealer if the commissioner finds that the censure, denial,

suspension, or revocation is in the public interest and that the broker-dealer, whether prior or subsequent to becoming a broker-dealer, or any partner, officer, director, or branch manager of the broker-dealer, whether prior or subsequent to becoming associated with the broker-dealer, or any person directly or indirectly controlling the broker-dealer, whether prior or subsequent to becoming such, or any agent employed by the broker-dealer while so employed has done any of the following:....

(d) Is or has been subject to (1) any order of the Securities and Exchange Commission or the securities administrator of any other state denying registration to, or revoking or suspending the registration of the person as a broker, dealer, agent or investment adviser; (2) any order of any national securities association... suspending or expelling that person from membership in the association ... or from association with any member thereof, or (3) any other order of the commission or any administrator, association, or exchange referred to in this subdivision which is or has been necessary for the protection of any investor.”

10. In an order dated June 6, 2008, the SEC barred Ottimo from associating with any broker or dealer, including EKN Financial, in a supervisory capacity. In an order dated October 12, 2012, FINRA, a national securities association, barred Ottimo from association in any capacity with a FINRA member firm. The FINRA order alone is sufficient to bar Ottimo from any position of employment, management or control of any broker dealer or investment adviser under Corporations Code sections 25213 and 25212(d).

#### IV. PRAYER FOR RELIEF

WHEREFORE, based on the foregoing, the Commissioner of Business Oversight finds that grounds exist and that it is in the public interest to bar Anthony Ottimo from any position of employment, management or control of any broker-dealer or investment adviser, pursuant to Corporations Code sections 25213 and Corporations Code section 25212 subdivision (d). The Commissioner hereby notifies Anthony Ottimo of its intention to make such Order final.

Dated: December 18, 2015  
San Francisco, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By: \_\_\_\_\_  
EDWARD KELLY SHINNICK  
Senior Enforcement Counsel